

IMPORTANT INFORMATION ON FEDERAL GOVERNMENT SET- ASIDE DESIGNATIONS FOR SMALL BUSINESS THAT PLAN TO APPLY GOVERNMENT CONTRACTS

There are seven major, small business set-aside designations in federal government contracting. Below is a listing of these designations, divided into two groups, Self-Certifying at the Central Contractor Registration (CCR) and those where Federal government certification is required.

QUALIFICATIONS, REGISTRATION, CERTIFICATIONS AND REPRESENTATIONS

Central Contractor Registration (CCR) is the primary vendor database for the U.S. Federal Government. CCR collects, validates, stores, and disseminates data in support of agency acquisition missions.

Both current and potential Federal government vendors are required to register in CCR in order to be awarded contracts by the Federal government. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration at least once per year to maintain an active status.

[CCR Registration](#)

To qualify as a small business for a given solicitation, an enterprise must have registered at the CCR under the applicable NAICS code for the procurement and meet the SBA eligibility size standards for that code.

[SBA.gov, Determining Business Size](#)

The Annual On-line Certifications and Representations (ORCA) form must also be completed to bid federal government jobs. Your latest ORCA Certification should be printed out, signed and included with all federal government contract proposals.

[ORCA Registration](#)

A small business set-aside designation can be a valuable tool if adequately documented, registered, certified and prudently used for bidding work that your enterprise is capable of performing successfully.

SELF CERTIFYING

1. Small Business

Generally speaking, if your business employs less than 500 people and has annual receipts of less than \$2.5M per year, you own a small business. If you have annual receipts of more than \$2.5M, or if you are seeking to bid on procurement opportunities, you should visit the SBA website to determine whether or not your business qualifies as a small business.

[SBA.gov, Small Business](#)

Established by North American Industry Classification (NAICS) Code for all categories of government business. Every federal procurement has a NAICS Code assigned to it and is registered on the below web site if it exceeds \$25k: www.fedbizopps.gov

2. Minority Business Enterprise (MBE)

Self-Certifying at CCR and a good interim designation while an 8(a) application is in process for minority-owned companies. A minority-owned business is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members. "Minority group members" are United States citizens who are Asian, Black, Hispanic and Native American. Ownership by minority individuals means the business is at least 51% owned by such individuals or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals. Further, the management and daily operations are controlled by those minority group members.

Certification is done at the local or regional level. The NMSDC and its affiliates do charge a non-refundable application fee. Certification must be renewed each year along with payment of annual fee. To find the certifying agency nearest to your location, [**click here**](#). Certification application forms can be obtained from these agencies.

[SBA.gov, Minority Owned Businesses](#)

3. Woman-Owned Small Business (WOSB)

A small business that is at least 51% owned and controlled by one or more women who are U.S. citizens. A woman must manage the day-to-day operations, make long-term decisions for the business, hold the highest officer position in the business and work at the business full-time during normal working hours.

[SBA.gov, WOSB](#)

4. Veteran-Owned Small Business (VOSB)

A small business that is at least 51% owned by one or more veterans or, in the case of any publicly owned business, at least 51% of the stock is owned by one or more veterans; and the management and daily business operations are controlled by one or more veterans.

[SBA.gov](#), [VOSB](#) and [SDVOSB](#)

5. Service Disabled Veteran-Owned Small Business (SDVOSB)

A small business concern that is at least 51% owned by one or more service-disabled veterans or, in the case of any publicly owned business, at least 51 % of the stock is owned by one or more service-disabled veterans. In addition, the management and daily business operations are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

[SBA.gov](#), [VOSB](#) and [SDVOSB](#)

6. Locally Owned

Any business at least 51% owned by, in a U.S. insular area, one or more local residents of that insular area or, in a freely associated state (FAS), one or more local residents of that FAS who are citizens of that FAS. This category is for information collecting purposes only.

GOVERNMENT CERTIFICATION REQUIRED

7. Small/Disadvantaged Business SBA 8(a) Program

A small business that is at least 51% owned and controlled by socially and economically disadvantaged individuals. Additionally, the business must demonstrate a potential for success (generally by being in business for, at least, two years). 8(a) firms automatically qualify for Small Disadvantaged Business (SDB) certification. If you have not gone through the process of becoming certified, do not check this box.

[SBA.gov](#), [8\(a\) Business Development Program](#)

[8\(a\) Application Guide](#)

8. Historically Underutilized Business Zone (HUBZone)

Pertains to small businesses located in geographic areas with a historical record of low government contracting. A HUBZone is an area located within one or more: (1) qualified census tracts; (2) qualified non-metropolitan counties; (3) lands within the external boundaries of an Indian reservation; (4) qualified base closure area; or (5) redesignated area.

[SBA.gov, HUBZone Information](#)

[SBA.gov, Applying for the HUBZone Program](#)

SUMMARY

Carefully select your small business designations when preparing your business and marketing plans for federal government contracting. Keep in mind that self-certifications are verified through records checks and site visits by contracting officers, DCMAO and Source Selection Boards for federal procurements before contract awards are made.

NAICS *North American Industry Classification Services* – Groups businesses into industries based on the activity in which they are primarily engaged. In other words, businesses that do similar things in similar ways are classified together.

[U.S. Census Bureau, Getting a NAICS Number](#)

DUNS Before you can bid on government proposals (such as RFP's), you need to obtain a Dun & Bradstreet, or D-U-N-S, Number, a unique nine-digit identification number for each physical location of your business. D-U-N-S Number assignment is free for all businesses required to register with the federal government for contracts or grants.

[SBA.gov, Getting a DUNS Number](#)

NIGP The NIGP Commodity/Services Code is a coding structure for standardizing purchasing that brings order and consistency for efficiency and economy. Developed by the National Institute of Governmental Purchasing and maintained by Periscope Holdings, Inc., the NIGP Code is the solution that brings the highest levels of organization and efficiency to procurement programs of all kinds.

[Getting a NIGP Number](#)